

# Maurice Hinchey NEWS

## 26<sup>TH</sup> CONGRESSIONAL DISTRICT, NEW YORK

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### **HINCHEY PROPOSES CHANGE IN TAX PLAN IN RESPONSE TO NATIONAL EMERGENCY**

WASHINGTON - U.S. Representative Maurice Hinchey (NY-26) today joined U.S. Representative Barney Frank (MA-4) in introducing a bill to keep the top tax rate intact to provide more revenue with which to respond to the current national emergency. It is estimated that this legislation will provide an additional \$100 billion over the next ten years.

"I opposed the large portion of the tax cut that only benefits the very rich," said Hinchey. "The majority disagreed with me and the cut passed. But the country now faces a drastically different situation from that which existed at that time. We have to recognize that fact and address our current needs without going more deeply into debt."

In the 2000 tax schedule households with an adjusted gross income above \$288,350 pay the top tax rate of 39.6 percent. Under President Bush's tax cut passed earlier this year, the rate gradually drops to 35 percent over the next five years. Rough estimates indicate that leaving the rate at 39.6 percent would generate \$100 billion over the next ten years.

In August both the White House's Office of Management and Budget and the nonpartisan Congressional Budget Office confirmed that the large projected federal budget surpluses have been eliminated. As a result the government has been forced to tap the surpluses in the Social Security and Medicare trust funds to pay current operating expenses. The legislation introduced today would distribute to the trust funds the revenue generated by keeping the top tax rate at 39.6 percent.

"We just appropriated a down payment of \$40 billion to address the catastrophe that took place on September 11," Hinchey added. "This bill will allow us to provide the necessary resources to respond to this national emergency while preserving the Social Security and Medicare trust funds."